

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	File No. EB-04-IH-0656
)	
)	
Telecom House, Inc.)	NAL/Acct. No. 200532080144
)	
)	
Apparent Liability for Forfeiture)	FRN No. 0011-3826-03
)	

**NOTICE OF APPARENT LIABILITY
FOR FORFEITURE AND ORDER**

Adopted: September 13, 2005

Released: September 13, 2005

By the Commission:

I. INTRODUCTION

1. In this Notice of Apparent Liability for Forfeiture (“NAL”), we find that a telecommunications provider, operating since 2000 and at least indirectly benefiting from the federal programs supporting the telecommunications industry since that time, apparently failed to meet its statutory and regulatory obligations relating to those programs. Based upon the facts and circumstances surrounding this matter, we conclude that this company is apparently liable for a total forfeiture of \$529,300.

2. We specifically find that Telecom House, Inc. (“Telecom House”) has apparently violated section 64.1195 of the Commission’s rules by willfully and repeatedly failing to register with the Commission until September 2004.¹ We also find that Telecom House has apparently violated sections 54.711(a) and 64.604(c)(5)(iii)(B) of the Commission’s rules by failing to submit certain Telecommunications Reporting Worksheets (“Worksheets”) from 2001 to 2005.² Finally, we find that Telecom House has apparently violated section 254(d) of the Communications Act of 1934, as amended (the “Act”),³ and sections 54.706(a) and 64.604(c)(5)(iii)(A) of the Commission’s rules by willfully and repeatedly failing to contribute to the Universal Service Fund (“USF”) and Telecommunications Relay Service (“TRS”) Fund on a timely basis.⁴

3. We are resolved to ensure a level playing field for all companies that are required to contribute to the maintenance of our various Congressionally mandated programs, including the federal

¹ 47 C.F.R. § 64.1195.

² 47 C.F.R. §§ 54.711(a), 64.604(c)(5)(iii)(B).

³ 47 U.S.C. § 254(d).

⁴ 47 C.F.R. §§ 54.706(a), 64.604(c)(5)(iii)(A).

universal service program. The failure of a carrier to fulfill its obligation to contribute to these programs has a direct and significant detrimental impact on the programs and on other industry participants because that failure removes from the base of contributions telecommunications revenues that otherwise should be included, thereby forcing other telecommunications carriers to shoulder additional costs associated with the programs. Thus, this NAL and others like it represent one element in a comprehensive approach to improving the efficacy and fairness of the universal service program as well as reducing waste, fraud and abuse in the program.

4. We order Telecom House to submit within thirty days, either as part of its response to this NAL or separately, a report, supported by a sworn statement or declaration under penalty of perjury of a corporate officer, setting forth in detail its plan to come into compliance with the relevant payment and reporting rules discussed herein. We further order Telecom House to file with the Universal Service Administrative Company ("USAC") within thirty days all annual Telecommunications Reporting Worksheets and amended Worksheets required under the Commission's rules from the date that Telecom House commenced providing telecommunications services in the United States to the date of this NAL.⁵

II. BACKGROUND

5. The Commission is charged by Congress with regulating interstate and international telecommunications and ensuring that providers of such telecommunications comply with the requirements imposed on them by the Act and our rules.⁶ The Commission also has been charged by Congress to establish, administer and maintain various telecommunications regulatory programs, and to fund these programs through assessments on the telecommunications providers that benefit from them. In order to accomplish these goals, the Commission established "a central repository of key facts about carriers" through which it could monitor the entry and operation of interstate telecommunications providers to ensure, among other things, that they are qualified, do not engage in fraud, and do not evade oversight.⁷ Commission rules require that, upon entry or anticipated entry into interstate telecommunications markets, telecommunications carriers register by submitting information on FCC Form 499-A, also known as the annual Telecommunications Reporting Worksheet.⁸ The Commission also requires telecommunications providers to submit financial information on annual and, with some exceptions not applicable to Telecom House since 2003,⁹ quarterly short-form Worksheets to enable the Commission to determine and collect the statutorily mandated program assessments.¹⁰

⁵ The Commission has appointed USAC as the administrator of federal universal service support mechanisms and has made it responsible for billing and collection of USF contributions. 47 C.F.R. §§ 54.701(a), 54.702(b).

⁶ See, e.g., 47 U.S.C. § 151.

⁷ See *Implementation of the Subscriber Carrier Selection Provisions of the Telecommunications Act of 1996*, Third Report and Order and Second Order on Reconsideration, 15 FCC Rcd 15996, 16024 (2000) ("*Carrier Selection Order*").

⁸ 47 C.F.R. § 64.1195.

⁹ Based on Telecom House's reported revenue for 2002, which it reported through its 2003 Form 499-A, it was a *de minimis* carrier in 2002, see 47 C.F.R. § 54.708, and therefore was not required to file quarterly Worksheets in 2002.

¹⁰ See 47 U.S.C. §§ 225(d)(3); 254(d). In 1999, to streamline the administration of the programs and to ease the burden on regulatees, the Commission consolidated the information filing requirements for multiple telecommunications regulatory programs into the annual Telecommunications Reporting Worksheet. See *1998 Biennial Regulatory Review*, Report and Order, 14 FCC Rcd 16602 (1999). The next year the Commission revised the Telecommunications Reporting Worksheet slightly to collect the additional information necessary to achieve its

6. The Telecommunications Act of 1996 codified Congress' historical commitment to promote universal service to ensure that consumers in all regions of the nation have access to affordable, quality telecommunications services.¹¹ In particular, section 254(d) of the Act requires, among other things, that "[e]very telecommunications carrier [providing] interstate telecommunications services . . . contribute, on an equitable and nondiscriminatory basis, to the specific, predictable, and sufficient mechanisms established by the Commission to preserve and advance universal service."¹² In implementing this Congressional mandate, the Commission directed all telecommunications carriers providing interstate telecommunications services and certain other providers of interstate telecommunications to contribute to the Universal Service Fund based upon their interstate and international end-user telecommunications revenues.¹³ Failure by some providers to pay their share into the Fund skews the playing field by giving non-paying providers an economic advantage over their competitors who must shoulder more than their fair share of the costs of the Fund.

7. Section 225(b)(1) of the Act, which codifies Title IV of the Americans with Disabilities Act of 1990, directs the Commission to "ensure that interstate and intrastate telecommunications relay services are available, to the extent possible and in the most efficient manner, to hearing-impaired and speech-impaired individuals in the United States."¹⁴ To that end, the Commission established the TRS Fund to reimburse TRS providers for the costs of providing interstate telecommunications relay services.¹⁵ Pursuant to section 64.604(c)(5)(iii)(A) of the Commission's rules, every carrier that provides interstate telecommunications services must contribute to the TRS Fund based upon its interstate end-user revenues.¹⁶

8. The Commission has established specific procedures to administer the programs for the universal service and other regulatory programs. A carrier must file Worksheets for the purpose of determining its USF and other regulatory fee program payments.¹⁷ These periodic filings trigger a

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goal of establishing a central repository for interstate telecommunications providers by the least provider-burdensome method. *Carrier Selection Order*, 15 FCC Rcd at 16026.

¹¹ The Telecommunications Act of 1996 amended the Communications Act of 1934. *See* Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 (1996).

¹² 47 U.S.C. § 254(d).

¹³ 47 C.F.R. § 54.706(b). Beginning April 1, 2003, carrier contributions were based on a carrier's projected, rather than historical, revenues. *Id.*

¹⁴ 47 U.S.C. § 225(b)(1).

¹⁵ *See Telecommunications Relay Services and the Americans with Disabilities Act of 1990*, Third Report and Order, 8 FCC Rcd 5300, 5301, ¶ 7 (1993). Telecommunications relay services enable persons with hearing and speech disabilities to communicate by telephone with persons who may or may not have such disabilities. Such services provide telephone access to a significant number of Americans who, without it, might not be able to make calls to or receive calls from others. *See Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, Report and Order, 15 FCC Rcd 5140, 5143, ¶ 5 (2000). The National Exchange Carriers Association ("NECA") currently is responsible for administering the TRS Fund.

¹⁶ 47 C.F.R. § 64.604(c)(5)(iii)(A).

¹⁷ Upon submission of a Form 499-A registration, the carrier is issued a filer identification number by USAC. The filer identification number is then to be included on all further filings by the company and is used by the Commission and its administrators to track the carrier's contributions and invoices. With certain exceptions that have not applied to Telecom House since 2002, interstate telecommunications carriers must file FCC Form 499-Q

determination of liability, if any, and subsequent billing and collection by the entities that administer the regulatory programs. USAC uses the revenue projections submitted on the quarterly filings to determine each carrier's universal service contribution amount.¹⁸ Carriers are required to pay their monthly USF contribution by the date shown on their invoice.¹⁹ The Commission's rules explicitly warn contributors that failure to file their forms or submit their payments potentially subjects them to enforcement action.²⁰ Further, under the Commission's "red light rule," action will be withheld on any application to the Commission or request for authorization made by any entity that has failed to pay when due its regulatory program payments, such as USF contributions, and if payment or payment arrangements are not made within 30 days from notice to the applicant, such applications or requests will be dismissed.²¹

9. Telecom House began providing telecommunications service in the United States in 2000.²² Telecom House provides "1-800 Access for International Calling[,] Prepaid Phone Cards [and] Long Distance Telephone Service."²³

10. In 2004, the Enforcement Bureau ("Bureau") audit staff sought to identify resellers of telecommunications service that failed to register as telecommunications service providers with the Commission, and, thus, may also have failed to satisfy various Commission program requirements.²⁴ In order to identify such resellers, the Bureau audit staff compared lists of resellers provided by wholesale service providers against the Commission's central repository of registered telecommunications service providers with filer identification numbers. If a reseller did not appear to have an identification number, the audit staff sent an inquiry to that reseller. On August 9, 2004, the Bureau's audit staff sent a letter to Telecom House requesting information pertaining to Telecom House's compliance with section 64.1195

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quarterly, reporting revenue information by February 1, May 1, August 1 and November 1 of each year, and FCC Form 499-A annually, by April 1 of each year. See Instructions for Completing the Worksheet for Filing Contributions to Telecommunications Relay Service, Universal Service, Number Administration and Local Number Portability Support Mechanisms, FCC Form 499, April 2004, at 9.

¹⁸ Individual universal service contribution amounts that are based upon quarterly filings are subject to an annual true-up. See *Federal-State Joint Board on Universal Service, Petition for Reconsideration filed by AT&T*, Report and Order and Order on Reconsideration, 16 FCC Rcd 5748 (2001); 47 C.F.R. § 54.709(a).

¹⁹ See *Globcom, Inc.*, Notice of Apparent Liability for Forfeiture and Order, 18 FCC Rcd 19893, 19896, ¶ 5 (2003); 47 C.F.R. § 54.711(a) ("The Commission shall announce by Public Notice published in the Federal Register and on its website the manner of payment and the dates by which payments must be made."). See, e.g., "Proposed Third Quarter 2003 Contribution Factor," *Public Notice*, 18 FCC Rcd 11442 (WCB 2003) ("Contribution payments are due on the date shown on the [USAC] invoice."). The Act and our rules, however, do not condition payment on receipt of an invoice or other notice from USAC. See 47 U.S.C. § 254(d); 47 C.F.R. § 54.706(b). A carrier that does not file may not receive an invoice from USAC, but is nonetheless required to contribute to the universal service fund, unless its revenues are considered *de minimis*. *Globcom, Inc.*, 18 FCC Rcd at 19896, ¶ 5 & n.22. The instructions for the Telecommunications Reporting Worksheet include tables for carriers to determine their annual contributions. Telecom House has not qualified for the *de minimis* exception since 2002.

²⁰ 47 C.F.R. § 54.713.

²¹ 47 C.F.R. § 1.1910. The rule went into effect on November 1, 2004. See "FCC Announces Brief Delay in Enforcement of Red Light Rule," *Public Notice*, 19 FCC Rcd 19452 (2004).

²² Response to Data Requests/Request for Documents, EB-04-IH-0656, at 4, dated March 17, 2005 ("March 17, 2005 LOI Response").

²³ See <http://www.thouse.com/about.html>.

²⁴ See 47 C.F.R. § 64.1195(a).

of the Commission's rules.²⁵ Thereafter, on September 14, 2004, Telecom House registered pursuant to section 64.1195 of the Commission's rules,²⁶ several years after it began providing service.

11. On January 26, 2005, the Bureau issued a letter of inquiry to Telecom House.²⁷ The January 26, 2005 LOI directed Telecom House, among other things, to submit a sworn written response to a series of questions relating to Telecom House's apparent failure to register and file Telecommunications Reporting Worksheets and to make mandated federal telecommunications regulatory program payments. Telecom House responded to the January 26, 2005 LOI on March 17, 2005.²⁸

12. On March 10, 2005, approximately six months after it registered, and approximately seven months after the Bureau's August 9, 2004 Audit Letter, Telecom House untimely attempted to file its annual Worksheets for 2002, 2003 and 2004, which (improperly) reported 2002, 2003, and 2004 revenue, respectively.²⁹ Because Telecom House had used the wrong forms with its March 10, 2005 filing, however, on March 31, 2005, Telecom House reported its 2002, 2003 and 2004 revenue, using the annual Worksheets for 2003, 2004 and 2005, respectively.³⁰ Telecom House filed its quarterly Worksheet for May 2005 on April 28, 2005.³¹ Although Telecom House has been providing telecommunication services since 2000, it still has apparently not filed annual Worksheets for 2001 or 2002, which would report 2000 and 2001 revenue, respectively.

13. On July 13, 2005, the Bureau issued a follow-up letter of inquiry to Telecom House.³² Telecom House responded on August 5, 2005, and provided to the Bureau corrected annual Worksheets for 2003, 2004 and 2005, which it previously filed on March 31, 2005, and its quarterly Worksheet for May 2005, which it previously filed on April 28, 2005.³³ As a result of these filings, USAC calculated that Telecom House owed \$23,777.44 to the USF for 2003 and 2004, and would owe \$1,810.14 for each month in the third quarter of 2005 (corresponding to the quarterly Worksheet the company filed on April 28, 2005). Telecom House did not provide with its August 5, 2005 LOI Response a quarterly Worksheet that was due August 1, 2005, and USAC records do not indicate that an August 2005 quarterly Worksheet

²⁵ See Letter from Hugh Boyle, Chief Auditor, Investigations and Hearings Division, Enforcement Bureau, to Telecom House dated August 9, 2004 ("August 9, 2004 Audit Letter").

²⁶ 47 C.F.R. § 64.1195. Telecom House did not, however, apparently file any outstanding Worksheets on September 14, 2004.

²⁷ Letter from Hillary S. DeNigro, Deputy Chief, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission, to Aaron Amid, Chief Executive Officer, Telecom House, Inc., dated January 26, 2005 ("January 26, 2005 LOI").

²⁸ See *supra* note 22.

²⁹ March 17, 2005 LOI Response, Exhibits 6-3, 6-6, & 8. Companies are required to report their previous year's revenue on Form 499-A. Thus, Telecom House should have used the Form 499-A for 2003, 2004, and 2005 to report revenue for 2002, 2003, and 2004, respectively.

³⁰ Response to Supplemental Request, EB-04-IH-0656, Attachment 1, dated August 5, 2005 ("August 5, 2005 LOI Response").

³¹ *Id.*

³² Letter from Hillary S. DeNigro, Deputy Chief, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission, to Douglas D. Orvis II, Swidler Berlin LLP, Counsel to Telecom House Incorporated, dated July 13, 2005 ("July 13, 2005 LOI").

³³ See *supra* note 30.

has been filed by Telecom House. Within the past year, Telecom House also failed to file its quarterly Worksheets due in November 2004 and February 2005. As a result, USAC has not calculated exactly how much the company owes for first and second quarters of 2005. On August 24, 2005, USAC received the first payment of Telecom House.

III. DISCUSSION

14. Under section 503(b)(1)(B) of the Act, any person who is determined by the Commission to have willfully or repeatedly failed to comply with any provision of the Act or any rule, regulation, or order issued by the Commission shall be liable to the United States for a forfeiture penalty.³⁴ Section 312(f)(1) of the Act defines willful as “the conscious and deliberate commission or omission of [any] act, irrespective of any intent to violate” the law.³⁵ The legislative history to section 312(f)(1) of the Act clarifies that this definition of willful applies to both sections 312 and 503(b) of the Act,³⁶ and the Commission has so interpreted the term in the section 503(b) context.³⁷ The Commission may also assess a forfeiture for violations that are merely repeated, and not willful.³⁸ “Repeated” means that the act was committed or omitted more than once, or lasts more than one day.³⁹ To impose such a forfeiture penalty, the Commission must issue a notice of apparent liability and the person against whom the notice has been issued must have an opportunity to show, in writing, why no such forfeiture penalty should be imposed.⁴⁰ The Commission will then issue a forfeiture if it finds by a preponderance of the evidence that the person has violated the Act or a Commission rule.⁴¹ As set forth below, we conclude under this standard that Telecom House is apparently liable for a forfeiture for its apparent willful and repeated violations of section 254(d) of the Act⁴² and sections 54.706(a), 54.711(a), and 64.604(c)(5)(iii), and 64.1195 of the Commission’s rules.⁴³

15. The fundamental issues in this case are whether Telecom House apparently violated the Act and the Commission’s rules by: (1) willfully or repeatedly failing to register pursuant to section 64.1195 of the Commission’s rules;⁴⁴ (2) willfully or repeatedly failing to file Telecommunications Reporting Worksheets; and (3) willfully or repeatedly failing to make requisite contributions toward the

³⁴ 47 U.S.C. § 503(b)(1)(B); 47 C.F.R. § 1.80(a)(1).

³⁵ 47 U.S.C. § 312(f)(1).

³⁶ H.R. Rep. No. 97-765, 97th Cong. 2d Sess. 51 (1982).

³⁷ See, e.g., *Application for Review of Southern California Broadcasting Co.*, Memorandum Opinion and Order, 6 FCC Rcd 4387, 4388 (1991) (“*Southern California Broadcasting Co.*”).

³⁸ See, e.g., *Callais Cablevision, Inc., Grand Isle, Louisiana*, Notice of Apparent Liability for Monetary Forfeiture, 16 FCC Rcd 1359 (2001) (issuing a Notice of Apparent Liability for, *inter alia*, a cable television operator’s repeated signal leakage).

³⁹ *Callais Cablevision, Inc.*, 16 FCC Rcd at 1362, ¶ 9; *Southern California Broadcasting Co.*, 6 FCC Rcd at 4388, ¶ 5.

⁴⁰ 47 U.S.C. § 503(b); 47 C.F.R. § 1.80(f).

⁴¹ See, e.g., *SBC Communications, Inc.*, Forfeiture Order, 17 FCC Rcd 7589, 7591, ¶ 4 (2002) (“*SBC Forfeiture Order*”) (forfeiture paid).

⁴² 47 U.S.C. § 254(d).

⁴³ 47 C.F.R. §§ 54.706(a), 54.711(a), 64.604(c)(5)(iii)(B), 64.1195.

⁴⁴ 47 C.F.R. § 64.1195.

Universal Service and TRS Funds when due. We answer these questions affirmatively. Based on a preponderance of the evidence, we conclude that Telecom House is apparently liable for a forfeiture of \$529,300 for apparently willfully and repeatedly violating section 254(d) of the Act,⁴⁵ and sections 54.706(a), 54.711(a), 64.604(c)(5)(iii), and 64.1195 of the Commission's rules.⁴⁶

16. Specifically, we propose the following forfeitures for apparent violations within the last year: (1) \$100,000 for failure to register pursuant to section 64.1195 of the Commission's rules;⁴⁷ (2) \$150,000 for failure to file three Telecommunications Reporting Worksheets; (3) \$258,224 for failure to make twelve monthly USF contributions on a timely basis; and (4) \$21,076 for failure to make its 2005 TRS Fund contribution on a timely basis. Although we propose forfeitures only for apparent violations within the last year, we discuss below the history of Telecom House's noncompliance in prior years as useful background and to demonstrate the scope of Telecom House's misconduct and the context of the misconduct that is within the statute of limitations period and thus covered by this NAL.

A. Registration with the Commission

17. We conclude that Telecom House has apparently violated section 64.1195(a) of the Commission's rules by failing to register with the Commission from 2001 until September 14, 2004.⁴⁸ Telecom House's failure to register constitutes a clear violation of a vital Commission rule. Section 64.1195(a) of the Commission's rules unambiguously requires that all carriers that provide, or plan to provide, interstate telecommunications services register with the Commission by submitting specified information.⁴⁹ Although Telecom House has been providing interstate telecommunications services since 2000, it failed to register in accordance with section 64.1195(a) until September 14, 2004, approximately one month after it received the Bureau's August 9, 2004 Audit Letter. As a result of its misconduct, Telecom House operated for over four years without participation in any of the programs tied to registration. As an interstate telecommunications carrier, Telecom House had a clear and affirmative duty to apprise itself of, and satisfy, its federal obligations.⁵⁰

18. We view Telecom House's apparent failure to register for over four years as a serious

⁴⁵ 47 U.S.C. § 254(d).

⁴⁶ 47 C.F.R. §§ 54.706(a), 54.711(a), 64.604(c)(5)(iii)(B), 64.1195.

⁴⁷ 47 C.F.R. § 64.1195.

⁴⁸ 47 C.F.R. § 64.1195(a); *Carrier Selection Order*, 15 FCC Rcd 15996, 16025 (requiring existing carriers like Telecom House to register on the date the new registration requirement becomes effective by means of certain information in FCC Form 499-A); 66 FR 17083 (2001) (announcing that OMB-approved information collection requirement in section 64.1195 would take effect on April 2, 2001).

⁴⁹ *Id.* The Commission adopted the registration requirement in section 64.1195(a) after finding that such a requirement would enable it to better monitor the entry of carriers into the interstate telecommunications market and any associated increases in slamming activity, and, among other things, would enhance the Commission's ability to take appropriate enforcement action against carriers that have demonstrated a pattern or practice of slamming. See *Carrier Selection Order*, 15 FCC Rcd at 16024 ¶ 62.

⁵⁰ See *The Commission's Forfeiture Policy Statement and Amendment of Section 1.80 of the Commission's Rules*, Report and Order, 12 FCC Rcd 17087, 17099, ¶ 22 (1997) ("*Forfeiture Policy Statement*"), *recon. denied*, 15 FCC Rcd 303 (1999) ("The Commission expects, and it is each licensee's obligation, to know and comply with all of the Commission's rules.").

derelection of its responsibilities under the Act and our rules. A carrier's compliance with the Commission's registration requirement is critical to the administration of the USF and TRS programs, and to fulfilling Congress' objectives in sections 254(d) and 225(b)(1) of the Act. As we noted above, a carrier's duty to register upon entry, or anticipated entry, into interstate telecommunications markets is essential to the fulfillment of the USF, TRS, and other regulatory program missions because it identifies the company to the various program administrators and brings the company within the purview and oversight of those administrators. If a carrier never identifies itself as a telecommunications provider by properly registering under the Commission's rules, then neither the Commission nor the various program administrators can ascertain whether that carrier has fulfilled other regulatory obligations, including the requirement that carriers file Worksheets and contribute to USF, TRS, and other regulatory programs. Moreover, the program administrators have no basis upon which to invoice the carrier for contributions. A telecommunications carrier that fails to register thus can operate outside of the Commission's oversight and evade its federal obligations to contribute toward the vital programs linked to registration.

19. The impact of a carrier's failure to register is no less severe where, as here, that carrier ultimately registers with the Commission. Although Telecom House registered on September 14, 2004, and has apparently filed some of the required Worksheets in the last few months, Telecom House delayed its registration for an extended period of time and took no action until after receiving a letter from the Bureau.⁵¹ The Commission has repeatedly stated that subsequent corrective measures to address a violation do not eliminate a licensee's responsibility for the period during which the violation occurred.⁵² Telecom House's substantial delay in registering after receiving the Bureau's letter raises serious questions about its intention to do so absent threat of Commission action. Based on a preponderance of the evidence, therefore, we find that Telecom House apparently has violated section 64.1195(a) of the Commission's rules by willfully and repeatedly failing to register from 2001 until September 14, 2004.⁵³

B. Submission of Telecommunications Reporting Worksheets

20. We conclude that Telecom House apparently has violated sections 54.711(a) and 64.604(c)(5)(iii)(B) of the Commission's rules by willfully and repeatedly failing to file certain Telecommunications Reporting Worksheets, on a timely basis, from 2001 through March 2005.⁵⁴ On March 31, 2005, Telecom House reported its 2002, 2003 and 2004 revenue. While Telecom House reported its 2004 revenue on time, *i.e.*, before April 1, 2005, it untimely reported its 2002 and 2003 revenue, which was due April 1, 2003 and April 1, 2004, respectively. Telecom House filed its quarterly Worksheet for May 2005 on April 28, 2005. Although Telecom House has been providing telecommunication services since 2000, it has not filed Annual Worksheets for 2001 or 2002, which is used to report 2000 and 2001 revenue, respectively. Within the past year, while Telecom House did file its quarterly Worksheet due May 1, 2005, it failed to file the quarterly Worksheets due November 1, 2004 and February 1 and August 1, 2005.

⁵¹ See August 9, 2004 Audit Letter. Further, Telecom House made no apparent efforts to pay its long overdue USF obligations, or to file its long overdue Worksheets, until after receiving a second letter from the Bureau in January 2005.

⁵² *AT&T Wireless Services, Inc.*, Forfeiture Order, 17 FCC Rcd 21866, 21870-71, (2002); *America's Tele-Network Corp.*, Order of Forfeiture, 16 FCC Rcd 22350, 22355, ¶ 15 (2001); *Coleman Enters., Inc. d/b/a/ Local Long Distance, Inc.*, Order of Forfeiture, 15 FCC Rcd 24385, 24388, ¶ 8 (2000).

⁵³ The proposed forfeitures in this NAL relate only to the portion of that period within a year of release of this NAL.

⁵⁴ 47 C.F.R. §§ 54.711(a), 64.604(c)(5)(iii)(B).

21. Section 54.711(a) and 64.605(c)(5)(iii)(B) of the Commission's rules clearly establish a carrier's obligation to file periodic Telecommunications Reporting Worksheets.⁵⁵ A carrier's failure to file these Worksheets as required has serious implications for the USF and TRS programs. As discussed above, the filing of a Telecommunications Reporting Worksheet prompts a determination of liability for, and subsequent billing and collection of, payments by the administrators of the Universal Service and TRS Funds. With regard to the federal universal service program in particular, the failure of a carrier such as Telecom House to abide by its federal filing obligation has a direct and profound detrimental impact by removing from the base of USF contributions telecommunications revenues that otherwise should be included, thereby shifting to compliant carriers additional economic burdens associated with the federal universal service program.⁵⁶ Consequently, a carrier's failure to file required Worksheets thwarts the very purpose for which Congress enacted section 254(d) – to ensure that every interstate carrier “contribute, on an equitable and nondiscriminatory basis, to the specific, predictable, and sufficient mechanisms established by the Commission to preserve and advance universal service.”⁵⁷ Viewed in this context, the Telecommunications Reporting Worksheet is not only an administrative tool, but a fundamental and critical component of the Commission's Universal Service program.

22. Based on a preponderance of the evidence, we find that Telecom House apparently has violated section 254 of the Act⁵⁸ and section 54.711 and 64.604 of the Commission's rules⁵⁹ by willfully and repeatedly failing to timely file required information with the Commission on multiple occasions since 2001, including failure to make three filings within the last year, the time period covered by this NAL. The NAL proposes a forfeiture for Telecom House's failure to file the quarterly Worksheets due November 1, 2004, and February 1 and August 1, 2005.

C. Universal Service Contributions

23. We further conclude that Telecom House apparently violated section 254(d) of the Act and section 54.706 of the Commission's rules by willfully and repeatedly failing to contribute to universal service support mechanisms on a timely basis.⁶⁰ Section 54.706(c) of the Commission's rules

⁵⁵ 47 C.F.R. §§ 54.711(a), 64.604(c)(5)(iii)(B).

⁵⁶ Sixty days prior to the start of each quarter, USAC is required to provide the Commission with a projection of the high cost, low income, schools and libraries, and rural health care funding requirements for the following quarter. See www.universalservice.org/overview/filings. Based on USAC's projection of the needs of the USF, and revenue projections from the registered carriers subject to universal service requirements, the Commission establishes a specific percentage of interstate and international end-user revenues that each subject telecommunications provider must contribute toward the USF. This percentage is called the contribution factor. The contribution factor, and, consequently, the amount owed to the USF by each affected telecommunications company, changes each quarter, depending on the needs of the USF and carrier-provided revenue projections. See www.fcc.gov/wcb/universal_service/quarter. Thus, in cases where a carrier, such as Telecom House, fails to file required Worksheets reporting its revenue projections in a timely fashion, its revenues are excluded from the contribution base from which universal assessments are derived, and the economic burden of contributing falls disproportionately on carriers that have satisfied their reporting obligations.

⁵⁷ 47 U.S.C. § 254(d).

⁵⁸ 47 U.S.C. § 254.

⁵⁹ 47 C.F.R. §§ 54.711, 64.604.

⁶⁰ 47 U.S.C. § 254(d); 47 C.F.R. § 54.706.

unambiguously directs that “entities [providing] interstate telecommunications to the public . . . for a fee . . . contribute to the universal service support programs.”⁶¹ Since 2003, Telecom House was required, pursuant to section 54.706(b) of the Commission’s rules, to contribute to universal service mechanisms based upon either its historical or projected revenues.⁶² As we previously have stated,

[c]arrier nonpayment of universal service contributions undermines the efficiency and effectiveness of the universal service support mechanisms. Moreover, delinquent carriers may obtain a competitive advantage over carriers complying with the Act and our rules. We consider universal service nonpayment to be a serious threat to a key goal of Congress and one of the Commission’s primary responsibilities.⁶³

Based on a preponderance of the evidence, we find that Telecom House apparently has violated sections 254(d) of the Act and 54.706 of the Commission’s rules by willfully and repeatedly failing to timely make its monthly universal service contribution payments for a period of years, including twelve such failures within the past year.

D. Telecommunications Relay Service Contributions

24. We also find that Telecom House apparently has violated section 64.604(c)(5)(iii)(A) of the Commission’s rules by failing to make required contributions to the interstate TRS Fund when due.⁶⁴ As an interstate telecommunications carrier, Telecom House has been obligated to contribute to the TRS Fund on the basis of its interstate and international end-user telecommunications revenues.⁶⁵ A carrier’s contribution to the TRS Fund is based upon its subject revenues for the prior calendar year and a contribution factor determined annually by the Commission.⁶⁶ Subject carriers must make TRS contributions on an annual basis, with certain exceptions that are not applicable to Telecom House.⁶⁷

25. Telecom House has not made any TRS Fund payments on a timely basis. In its March 17, 2005 LOI response, Telecom House expressly stated that “[t]he Company has not previously contributed directly to the TRS.”⁶⁸ In its August 5, 2005 LOI response, Telecom House stated that “[t]he Company has received one invoice for TRS contribution, for which payment is not yet due.”⁶⁹ To the contrary, the invoice Telecom House produced in response to the LOI states on its face that “[p]ayment

⁶¹ 47 C.F.R. § 54.706(c).

⁶² See 47 C.F.R. § 54.706(c).

⁶³ *Globcom, Inc.*, Notice of Apparent Liability for Forfeiture and Order, 18 FCC Rcd 19893, 19903, ¶ 26 (2003).

⁶⁴ 47 C.F.R. § 64.604(c)(5)(iii)(A).

⁶⁵ *Id.* Each subject carrier must contribute at least \$25 per year. Carriers whose annual contributions are less than \$1,200 must pay the entire amount at the beginning of the contribution period. 47 C.F.R. § 64.604(c)(5)(iii)(B). Otherwise, carriers may divide their contributions into equal monthly payments. *Id.*

⁶⁶ 47 C.F.R. § 64.604(c)(5)(iii)(B).

⁶⁷ See *id.*

⁶⁸ March 17, 2005 LOI Response (question #10).

⁶⁹ August 5, 2005 LOI Response (question #4).

must be received by 7/26/2005.”⁷⁰ Based on a preponderance of the evidence, we therefore find that Telecom House apparently has violated section 64.604 of the Commission’s rules by willfully and repeatedly failing to pay its TRS contributions when due, including its failure to make on a timely basis the payment due on July 26, 2005.

E. Proposed Forfeiture

26. Section 503(b)(1)(B) of the Act provides that any person that willfully or repeatedly fails to comply with any provision of the Act or any rule, regulation, or order issued by the Commission, shall be liable to the United States for a forfeiture penalty.⁷¹ For the apparent violations in this case, section 503(b)(2)(B) of the Act authorizes the Commission to assess a forfeiture of up to \$130,000 for each violation or each day of a continuing violation, up to a statutory maximum of \$1.325 million for a single act or failure to act.⁷² In determining the appropriate forfeiture amount, we consider the factors enumerated in section 503(b)(2)(D) of the Act, including “the nature, circumstances, extent and gravity of the violation, and, with respect to the violator, the degree of culpability, any history of prior offenses, ability to pay, and such other matters as justice may require.”⁷³

27. Under section 503(b)(6) of the Act, we may only propose forfeitures for apparent violations that occurred within one year of the date of this NAL.⁷⁴ Nevertheless, section 503(b) does not bar us from assessing whether Telecom House’s conduct prior to that time period apparently violated the Act or our rules in determining the appropriate forfeiture amount for those violations within the statute of limitations.⁷⁵ Therefore, although we find that Telecom House apparently violated the Act and our rules for over four years, we propose forfeitures here only for violations that occurred within the last year.

28. This case involves a carrier’s failure both to register and submit any Telecommunications Reporting Worksheets from the time it commenced providing telecommunications services until after it received a letter from the Bureau⁷⁶ – in this case, a period of over four years. We find Telecom House’s failure to discharge its federal reporting obligations to be particularly egregious. As we stated above, the registration and filing of Telecommunications Reporting Worksheets are fundamental to the implementation of our central repository of carriers and to the administration of multiple statutorily

⁷⁰ *Id.* at Attachment 4.

⁷¹ 47 U.S.C. § 503(b)(1)(B); *see also* 47 C.F.R. § 1.80(a)(2).

⁷² 47 U.S.C. § 503(b)(2)(B); *see also* 47 C.F.R. § 1.80(b)(2). Effective September 7, 2004, the Commission amended its rules to increase the maximum penalties to account for inflation since the last adjustment of the penalty rates. *See Amendment of Section 1.90 of the Commission’s Rules*, Order, 19 FCC Rcd 10945, 10946 ¶ 6 (2004).

⁷³ 47 U.S.C. § 503(b)(2)(D); *see also Forfeiture Policy Statement*, 12 FCC Rcd at 17100, ¶ 27; 47 C.F.R. § 1.80(b).

⁷⁴ 47 U.S.C. § 503(b)(6)(B); *see also* 47 C.F.R. § 1.80(c)(3).

⁷⁵ *See, e.g., Carrera Communications, LP*, Notice of Apparent Liability for Forfeiture and Order, FCC 05-147, 2005 WL 1750417 (F.C.C.) at ¶ 24 (released July 25, 2005); *InPhonic, Inc.*, Notice of Apparent Liability for Forfeiture and Order, FCC 05-145, 2005 WL 1750418 (F.C.C.) at ¶ 24 (released July 25, 2005); *Teletronics, Inc.*, Notice of Apparent Liability for Forfeiture and Order, FCC 05-146, 2005 WL 1750420 (F.C.C.) at ¶ 28 (released July 25, 2005); *Globcom, Inc.*, 18 FCC Rcd at 19903; *Roadrunner Transp., Inc.*, Forfeiture Order, 15 FCC Rcd 9669, 9671 (2000); *Liab. of E. Broad. Corp.*, Memorandum Opinion and Order, 10 F.C.C. 2d 37 (1967).

⁷⁶ *See InPhonic, Inc.*, 2005 WL at 1750418 (F.C.C.) at ¶ 25; *Teletronics, Inc.*, 2005 WL 1750420 (F.C.C.) at ¶ 29.

derived programs – including the USF Fund. Where, as here, a carrier ignores its obligations by wholly failing to register – thereby affecting the time and manner in which these important federal programs are funded – it undermines the programs and thwarts the purposes for which Congress and the Commission established them.

29. Recently, we have held that a substantial forfeiture of \$100,000 is warranted for a carrier's failure to register with the Commission.⁷⁷ We explained that "[t]his egregious behavior strikes at the core of our ability to implement and enforce the Act and our rules effectively, thus warranting a substantial forfeiture."⁷⁸ This is because a carrier that fails to register hampers "efficient and effective Commission enforcement by delaying detection of, and action against, its behavior . . . and imposes a substantial burden on the Commission, which can only identify such carriers through compliance review programs that require significant amounts of staff time and resources."⁷⁹ Taking into account all of the factors enumerated in section 503(b)(2)(D) of the Act, we conclude that a proposed forfeiture of \$100,000 is warranted.

30. In the past, we have held that a substantial forfeiture of \$50,000 is warranted for a carrier's failure to file a Telecommunications Reporting Worksheet for revenue reporting purposes.⁸⁰ We find that Telecom House's willful and repeated failure to file periodic Telecommunications Reporting Worksheets is egregious. As we noted above, a carrier's obligation to file these Worksheets is directly linked to, and thus has serious implications for, administration of the USF and other regulatory programs. By ignoring its reporting obligations, Telecom House has unilaterally shifted to compliant carriers and their customers the economic costs associated with the universal service and other regulatory programs. Therefore, we find that Telecom House is apparently liable for a \$150,000 forfeiture for its failure to file three Worksheets within the last year; *i.e.*, those due November 1, 2004, and February 1 and August 1, 2005.

31. Based on the facts above, it also appears that Telecom House has failed to timely make the requisite contributions into the Universal Service Fund for a period of over two years. Again, nonpayment of universal service contributions is an egregious offense that bestows on delinquent carriers an unfair competitive advantage by shifting to compliant carriers the economic costs and burdens associated with universal service. A carrier's failure to make required universal service contributions frustrates Congress' policy objective in section 254(d) of the Act to ensure the equitable and non-discriminatory distribution of universal service costs among all telecommunications providers.⁸¹ The Commission has established a base forfeiture amount of \$20,000 for each month in which a carrier has failed to make required universal service contributions.⁸² Consequently, we find Telecom House

⁷⁷ See *InPhonic, Inc.*, 2005 WL at 1750418 (F.C.C.) at ¶ 26; *Teletronics, Inc.*, 2005 WL 1750420 (F.C.C.) at ¶ 30.

⁷⁸ *InPhonic, Inc.*, 2005 WL at 1750418 (F.C.C.) at ¶ 26; *Teletronics, Inc.*, 2005 WL 1750420 (F.C.C.) at ¶ 30.

⁷⁹ *InPhonic, Inc.*, 2005 WL at 1750418 (F.C.C.) at ¶ 26; *Teletronics, Inc.*, 2005 WL 1750420 (F.C.C.) at ¶ 30.

⁸⁰ *Globcom, Inc.*, 18 FCC Rcd at 19905. See also *Carrera Communications, Inc.*, 2005 WL 1750417 (F.C.C.) at ¶ 25; *InPhonic, Inc.*, 2005 WL 1750418 (F.C.C.) at ¶ 27; *Teletronics, Inc.*, 2005 WL 1750420 (F.C.C.) at ¶ 31.

⁸¹ See 47 U.S.C. § 254(d).

⁸² See *Globcom, Inc.*, 18 FCC Rcd at 19903-19904, ¶¶ 25-27. See also *Carrera Communications, Inc.*, 2005 WL 1750417 (F.C.C.) at ¶ 26; *InPhonic, Inc.*, 2005 WL 1750418 (F.C.C.) at ¶ 28; *Telecom Mgmt., Inc.*, Notice of Apparent Liability for Forfeiture, FCC 05-156 2005 WL 1949643 (F.C.C.) at ¶ 17 (released Aug. 12, 2005); *Teletronics, Inc.*, 2005 WL 1750420 (F.C.C.) at ¶ 32.

apparently liable for a base forfeiture of \$240,000 for its willful and repeated failure to make twelve universal service contributions when due within the past year.

32. In the past, we have calculated upward adjustments to forfeitures for failure to make USF payments based on half of the company's unpaid contributions.⁸³ As explained above, USAC records show that on August 15, 2005, Telecom House owed \$25,587.58 for USF contributions. In addition, although USAC has not calculated how much Telecom House owes for the first two quarters of 2005 because the company failed to file the quarterly forms that correspond to these periods, we estimate that the company owes \$10,860 for this period.⁸⁴ Therefore, taking into account all of the factors enumerated in section 503(b)(2)(D) of the Act, we propose an upward adjustment of \$18,224 (\$12,794 + \$5,430)⁸⁵ – half the amount we estimate that Telecom House owed for outstanding USF contributions on August 15, 2005 – for Telecom House's apparent failure to make universal service contributions. We thus find Telecom House liable for a total proposed forfeiture of \$258,224 for its apparent willful and repeated failure to make timely contributions into the Universal Service Fund.

33. We also find that Telecom House apparently has failed to make any TRS contributions on a timely basis. Telecom House's 2005 TRS obligation was due on July 26, 2005, and it has not made this payment. Where a carrier fails to satisfy its TRS obligations for an extended period of time, it thwarts the purpose for which Congress established section 225(b)(1) of the Act and its implementing regulations – to ensure that telecommunications relay services “are available to the extent possible and in the most efficient manner, to hearing-impaired and speech-impaired individuals in the United States.”⁸⁶ The Commission has established a base forfeiture amount of \$10,000 for each instance in which a carrier fails to make required TRS contributions.⁸⁷ In light of the failure of Telecom House to pay its 2005 TRS obligation on a timely basis, we find it apparently liable for a base forfeiture in the amount of \$10,000. For the reasons discussed above regarding Telecom House's failure to make universal service contributions and consistent with Commission precedent,⁸⁸ we find that an upward adjustment, in an amount approximately one-half of the carrier's unpaid 2005 TRS contributions (\$22,152),⁸⁹ is appropriate for Telecom House's apparent failure to make timely TRS contributions. Taking into account the factors

⁸³ See, e.g., *Globcom, Inc.*, 18 FCC Rcd at 19903-19904, ¶¶ 25-27. See also *Carrera Communications, Inc.*, 2005 WL 1750417 (F.C.C.) at ¶ 27; *InPhonic, Inc.*, 2005 WL 1750418 (F.C.C.) at ¶ 29; *OCMC, Inc.*, Notice of Apparent Liability for Forfeiture, FCC 05-157, 2005 WL 1949644 (F.C.C.) at ¶ 19; *Telecom Mgmt., Inc.*, 2005 WL 1949643 (F.C.C.) at ¶ 18; *Teletronics, Inc.*, 2005 WL 1750420 (F.C.C.) at ¶ 32.

⁸⁴ See *supra* ¶13. Telecom House made its first USF payment of \$9,802.62 on August 24, 2005, but payment was due nearly ten days before, and in any event, as explained above, the vast majority of that amount corresponds to a partial payment for its overdue balance due for 2003 and 2004.

⁸⁵ The first figure (\$12,794) is one half of the amount USAC calculated that Telecom House owes to the USF for 2003, 2004, and the late-paid sum for one month of the third quarter of 2005; the second figure (\$5,430) is one half of the amount that we estimate Telecom House owes to the USF for the first and second quarters of 2005.

⁸⁶ 47 U.S.C. § 225(b)(1).

⁸⁷ See *Globcom, Inc.*, 18 FCC Rcd at 19904, ¶ 29. See also *Carrera Communications, Inc.*, 2005 WL 1750417 (F.C.C.) at ¶ 29; *InPhonic, Inc.*, 2005 WL 1750418 (F.C.C.) at ¶ 31; *Teletronics, Inc.*, 2005 WL 1750420 (F.C.C.) at ¶ 34.

⁸⁸ See *Globcom, Inc.*, 18 FCC Rcd at 19904, ¶ 29. See also *Carrera Communications, Inc.*, 2005 WL 1750417 (F.C.C.) at ¶ 29; *InPhonic, Inc.*, 2005 WL 1750418 (F.C.C.) at ¶ 31; *Teletronics, Inc.*, 2005 WL 1750420 (F.C.C.) at ¶ 34.

⁸⁹ See August 5, 2005 LOI Response at Attachment 4.

enumerated in section 503(b)(2)(D) of the Act, we conclude that an upward adjustment of \$11,076 is reasonable. Consequently, we find Telecom House liable for a total proposed forfeiture of \$21,076 for its willful and repeated failure to satisfy its 2005 TRS obligations.

IV. CONCLUSION

34. In light of the seriousness, duration and scope of the apparent violations, and to ensure that a company with substantial revenues such as Telecom House does not consider the proposed forfeiture merely “an affordable cost of doing business,”⁹⁰ we find that a proposed forfeiture in the amount of \$529,300 is warranted. As discussed above, this proposed forfeiture amount includes: (1) a total proposed penalty of \$100,000 for failing to register pursuant to section 64.1195 of the Commission’s rules;⁹¹ (2) a total proposed penalty of \$150,000 for failing to file three Telecommunications Reporting Worksheets within the past year; (3) a total proposed penalty of \$258,224 for failing to make twelve monthly universal service contributions when due within the past year; and (4) a total proposed penalty of \$21,076 for failing to make its 2005 TRS program contribution when due.

35. We caution that additional violations of the Act or the Commission’s rules could subject Telecom House to further enforcement action. Such action could take the form of higher monetary forfeitures and/or possible revocation of Telecom House’s operating authority, including disqualification of Telecom House’s principals from the provision of any interstate common carrier services without the prior consent of the Commission.⁹² In addition, we note that, to the extent Telecom House is ever found to be delinquent on any debt owed to the Commission (e.g., has failed to pay all of its USF contributions), the Commission will not act on, and may dismiss, any application or request for authorization filed by Telecom House, in accordance with the agency’s “red light” rules.⁹³ We order Telecom House to submit within thirty days, either as part of its response to this NAL or separately, a report, supported by a sworn statement or declaration under penalty of perjury of a corporate officer, stating its plan to come into compliance with the relevant payment and reporting rules discussed herein. We further order Telecom House to file with USAC within thirty days all Annual Telecommunications Reporting Worksheets and amended Worksheets required under the Commission’s rules from the date that Telecom House commenced providing telecommunications services in the United States to the date of this NAL.

V. ORDERING CLAUSES

36. ACCORDINGLY, IT IS ORDERED THAT, pursuant to section 503(b) of the Communications Act of 1934, as amended,⁹⁴ and section 1.80 of the Commission’s rules,⁹⁵ that Telecom House is hereby NOTIFIED of its APPARENT LIABILITY FOR A FORFEITURE in the amount of \$529,300 for willfully and repeatedly violating the Act and the Commission’s rules.

⁹⁰ *Forfeiture Policy Statement*, 12 FCC Rcd at 17099; *see also* 47 C.F.R. § 1.80(b)(4).

⁹¹ 47 C.F.R. § 64.1195.

⁹² *See Business Options, Inc.*, Consent Decree, 19 FCC Rcd 2916 (2003); *NOS Communications, Inc., Affinity Network Incorporated and NOSVA Limited Partnership*, Consent Decree, 2003 WL 22439710 (2003).

⁹³ 47 C.F.R. § 1.1910.

⁹⁴ 47 U.S.C. § 503(b).

⁹⁵ 47 C.F.R. § 1.80.

37. IT IS FURTHER ORDERED THAT, pursuant to section 1.80 of the Commission's Rules,⁹⁶ within thirty days of the release date of this NOTICE OF APPARENT LIABILITY, Telecom House SHALL PAY the full amount of the proposed forfeiture or SHALL FILE a written statement seeking reduction or cancellation of the proposed forfeiture.

38. IT IS FURTHER ORDERED THAT, pursuant to sections 4(i), 219(b), and 254(d) of the Act,⁹⁷ and sections 54.706(a) and 54.711(a) of the Commission's rules,⁹⁸ within thirty days of the release of this NOTICE OF APPARENT LIABILITY AND ORDER, Telecom House SHALL SUBMIT a report, supported by a sworn statement or declaration under penalty of perjury by a corporate officer, stating its plan promptly to come into compliance with the payment and reporting rules discussed herein. Telecom House also SHALL SUBMIT to USAC within thirty days all Annual Telecommunications Reporting Worksheets and amended Worksheets required under the Commission's rules from the date that Telecom House commenced providing telecommunications services to the date of this NAL.

39. Payment of the forfeiture must be made by check or similar instrument, payable to the order of the Federal Communications Commission. The payment must include the NAL/Acct. No. and FRN No. referenced above. Payment by check or money order may be mailed to Federal Communications Commission, P.O. Box 358340, Pittsburgh, PA 15251-8340. Payment by overnight mail may be sent to Mellon Bank /LB 358340, 500 Ross Street, Room 1540670, Pittsburgh, PA 15251. Payment by wire transfer may be made to ABA Number 043000261, receiving bank Mellon Bank, and account number 911-6106.

40. The response, if any, to this NOTICE OF APPARENT LIABILITY must be mailed to William H. Davenport, Chief, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission, Room 4-A237, 445 12th Street, S.W., Washington, D.C. 20554 and must include the NAL/Acct. No. referenced above.

41. The Commission will not consider reducing or canceling a forfeiture in response to a claim of inability to pay unless the petitioner submits: (1) federal tax returns for the most recent three-year period; (2) financial statements prepared according to generally accepted accounting practices (GAAP); or (3) some other reliable and objective documentation that accurately reflects the petitioner's current financial status. Any claim of inability to pay must specifically identify the basis for the claim by reference to the financial documentation submitted.

42. Requests for payment of the full amount of this NAL under an installment plan should be sent to Chief, Credit and Management Center, 445 12th Street, S.W., Washington, D.C. 20554.⁹⁹

⁹⁶ See 47 C.F.R. § 1.80(f)(3).

⁹⁷ 47 U.S.C. §§ 4(i), 219(b), and 254(d).

⁹⁸ 47 C.F.R. §§ 54.706(a) and 54.711(a).

⁹⁹ See 47 C.F.R. § 1.1914.

43. IT IS FURTHER ORDERED that a copy of this NOTICE OF APPARENT LIABILITY AND ORDER shall be sent by certified mail, return receipt requested, to Douglas D. Orvis II, Esq., Swidler Berlin LLP, 3000 K Street, Suite 300, Washington, D.C. 20007-5116; and Mr. Aaron Amid, Telecom House, Inc., 8421 Wilshire Boulevard, Suite 300, Beverly Hills, CA 90211.

FEDERAL COMMUNICATIONS COMMISSION

Marlene H. Dortch
Secretary